

Remarks

The Office Action mailed November 10, 2003 has been carefully reviewed and the foregoing amendments have been made in consequence thereof.

Claims 1-73 are pending in this application. Claims 1-23 have been withdrawn from consideration. Claims 24-73 stand rejected.

In accordance with 37 C.F.R. 1.136(a), a one-month extension of time is submitted herewith to extend the due date of the response to the Office Action dated November 10, 2003, for the above-identified patent application from February 10, 2004, through and including March 10, 2004. In accordance with 37 C.F.R. 1.17(a)(3), authorization to charge a deposit account in the amount of \$110.00 to cover this extension of time request also is submitted herewith.

In response to the Examiner's objection to the specification, Applicants have amended the paragraph that includes a reference to Excel® software product by showing that Excel® is a registered trademark of Microsoft Corporation, Redmond, Washington. No new matter has been added.

The rejection of Claims 24-34, 37-48, 50-60, and 62-73 under 35 U.S.C. § 102(e) as being anticipated by Brown et al. (U.S. Patent 6,532,450) ("Brown") is respectfully traversed.

Applicants respectfully submit that Brown does not describe or suggest the claimed invention. As discussed below, at least one of the differences between Brown and the present invention is that Brown neither describes nor suggests a system for account reconciliation between a parent and a subsidiary of a business entity that includes a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, Brown does not describe or suggest a system for account reconciliation between a parent and a subsidiary of a business entity that includes a server configured to

receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, Brown does not describe or suggest a server configured to reconcile the account variance by prompting a user associated with the subsidiary to input into the at least one remote computer account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Brown describes a system that includes a first financial management system handling receivables and a second financial management system handling payables. The receivables system sends debt offset information to an offset payment system and the payables system sends payment information to the offset payments system. The offset payment system either makes a payment or offsets the payment with the debt. The financial management systems receive offset information from the offset payment system. The system designates debt and payments that are suitable for offset using threshold criteria. The system allows administrative fees and other charges, such as interest and penalties, to be added to the debt. During the referral of the debt to the offset payments system, the debtor as well as other parties, such as credit bureaus, are informed or notified of the delinquent debt. When an offset occurs the system feeds the amount of the offset back to the receivables and payables systems to update the records therein to reflect the amount and that the amount was an offset. That is, an authorized payment is shown as fully or partially offset and a debt is shown as fully or partially satisfy via the offset. The records of financial management systems are updated when a payment is made by the debtor after a referral has occurred, when a decision is made to write-off the debt.

Claim 24 recites a system for account reconciliation between a parent and a subsidiary of a business entity that includes “at least one remote computer...a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data...a server configured to...receive the parent account data from the parent via the at least one remote computer...receive the subsidiary account data from the subsidiary via the at least one remote computer...calculate an account variance based on the parent account data and the subsidiary account data...report the account variance to a user...reconcile the account variance by prompting a user associated with the subsidiary to input into the at least one remote computer account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary...and update the information stored in the database and the account variance based on the inputted account information...a network connecting the server to the remote computer and the centralized database...and a user interface allowing a user to input account information and to receive account variance output.”

Brown does not describe or suggest a system for account reconciliation between a parent and a subsidiary of a business entity that includes a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, Brown does not describe or suggest a system for account reconciliation between a parent and a subsidiary of a business entity that includes a server configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, Brown does not describe or suggest a server configured to reconcile the account variance by prompting a user associated with the subsidiary to input into the at least one remote computer account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt. For example, federal agency ABC may have delinquent debt with a vendor while federal agency XYZ is making payments to the same vendor (col. 1, lines 36-38). If, in the example, the outstanding debt is \$1000 and the payment to be made is \$1800, then the system will record a collection amount of \$1000 and a refund amount to be paid to the vendor of \$800 (col. 11, lines 45-58). In other words, Brown describes a financial management system that offsets delinquent debt using payables information, and then reconciles the accounts to ensure that they are synchronized. Notably, Brown does not describe or teach a system for account reconciliation between a parent and a subsidiary of a business entity that reconciles an account variance by prompting a user associated with the subsidiary to input account information as recited in the present claims.

Although Brown discusses at col. 15, lines 15-35 a reconciliation process, Brown does not describe or teach a system for account reconciliation between a parent and a subsidiary of a business entity that includes reconciling an account variance as recited in the present claims. Rather, Brown describes at col. 15, lines 15-35 the reconciliation process as follows:

In performing the reconciliation, the financial management system receivable or payment records 613 referred for offset are accessed. Each receivable or payment record is compared to the corresponding record in the offset payment system 18....The system also determines 626 whether a discrepancy exists and if so whether 628 synchronization is to be performed. For example, a debt referral record in the financial management system might have an amount of \$2000. The same record in the offset system might have an amount of \$20000. Invoking the synchronization based on the financial management system option in this case will result in the creation of a debt update file 630 correction transaction for \$2000 synchronizing the offset system 18 with the financial management system 14. Invoking the synchronization based on offset system option in this case will result in the creation of a receivable modification transaction 630 netting to \$20000 in the financial management system receivables file 634 synchronizing the financial management system 14 with the offset system 18.

In other words, the reconciliation process described in Brown is a synchronization of payments, debts, and offsets within the accounts receivable and accounts payable systems. Brown does not describe or teach a system for account reconciliation between a parent and a subsidiary of a business entity. Moreover, Brown does not describe or suggest a server configured to reconcile an account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary. Accordingly, Applicants respectfully submit that Claim 24 is patentable over Brown.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 102(e) rejection of Claim 24 be withdrawn.

Claims 25-31 depend from independent Claim 24 which is submitted to be in condition for allowance. When the recitations of Claims 25-31 are considered in combination with the recitations of Claim 24, Applicants submit that dependent Claims 25-31 are also patentable over Brown.

Claim 32 recites a network-based system for managing accounts reconciliation between a parent and a subsidiary of a business entity that includes “at least one client sub-system comprising a browser...a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data...a server sub-system configured to be coupled to said client sub-system and said database, said server sub-system further configured to...receive the parent account data from the parent via the at least one client sub-system...receive the subsidiary account data from the subsidiary via the at least one client sub-system...calculate an account variance based on the parent account data and the subsidiary account data...report the account variance to a user...reconcile the account variance by prompting a user associated with the subsidiary to input into the at least one client sub-system account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary...and update the account information stored in the data storage device and the account variance based on the inputted account information.”

Brown does not describe or suggest a network-based system for managing accounts reconciliation between a parent and a subsidiary of a business entity that includes a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, Brown does not describe or suggest a server sub-system configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, Brown does not describe or suggest a server sub-system configured to reconcile the account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary, and update the account information stored in the data storage device and the account variance based on the inputted account information.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt. In other words, Brown describes a financial management system that offsets delinquent debt using payables information, and then reconciles the accounts to ensure that they are synchronized. Notably, Brown does not describe or teach a system for managing accounts reconciliation between a parent and a subsidiary of a business entity that reconciles an account variance by

prompting a user associated with a subsidiary to input account information as recited in the present claims.

Although Brown discusses at col. 15, lines 15-35 a reconciliation process, Brown does not describe or teach reconciling an account variance as recited in the present claims. Rather, the reconciliation process described in Brown is a synchronization of payments, debts, and offsets within the accounts receivable and accounts payable systems. Brown does not describe or suggest a server sub-system configured to reconcile an account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Brown.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 102(e) rejection of Claim 32 be withdrawn.

Claims 33, 34, 37-48, 50-60, and 62-69 depend from independent Claim 32 which is submitted to be in condition for allowance. When the recitations of Claims 33, 34, 37-48, 50-60, and 62-69 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 33, 34, 37-48, 50-60, and 62-69 are also patentable over Brown.

Claim 70 recites a network based account reconciliation system for reconciling accounts between a parent and a subsidiary of a business entity wherein the account reconciliation system is coupled to a centralized database, the system includes “a client sub-system including a browser...a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account

data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data...a server sub-system configured to be coupled to said client sub-system and said database, said server sub-system further configured to...receive the parent account data from the parent via the client sub-system...receive the subsidiary account data from the subsidiary via the client sub-system...calculate an account variance based on the parent account data and the subsidiary account data...report the account variance to a user...reconcile the account variance by prompting a user associated with the subsidiary to input account information including at least one of an amount booked by the subsidiary, an amount booked by the parent, a currency code, a conversion rate, a local amount, a transaction date, and an amount identified in a journal of the parent...and update the account information stored in the data storage device and the account variance based on the inputted account information.”

Brown does not describe or suggest a network based account reconciliation system for reconciling accounts between a parent and a subsidiary of a business entity wherein the account reconciliation system is coupled to a centralized database, and the system includes a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, Brown does not describe or suggest a server sub-system configured to receive parent account data from the parent via the client sub-system, receive subsidiary account data from the subsidiary via the client sub-system, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, Brown does not describe or suggest a server sub-system configured to reconcile the account variance by prompting a user associated with the subsidiary to input account information including at least one of an amount booked by the subsidiary, an amount booked by the parent, a currency code, a conversion rate, a local amount, a transaction date, and an amount identified in a journal of the parent, and update the account information stored

in the data storage device and the account variance based on the inputted account information.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt. In other words, Brown describes a financial management system that offsets delinquent debt using payables information, and then reconciles the accounts to ensure that they are synchronized. Notably, Brown does not describe or teach reconciling an account variance by prompting a user associated with a subsidiary to input account information as recited in the present claims. Accordingly, Applicants respectfully submit that Claim 70 is patentable over Brown.

For at least the reasons set forth above, Claim 70 is submitted to be patentable over Brown.

Claims 71-73 depend from independent Claim 70 which is submitted to be in condition for allowance. When the recitations of Claims 71-73 are considered in combination with the recitations of Claim 70, Applicants submit that dependent Claims 71-73 are also patentable over Brown.

For at least the reasons set forth above, Applicants respectfully request that the Section 102 rejection of Claims 24-34, 37-48, 50-60, and 62-73 be withdrawn.

The rejection of Claims 28, 29, and 32-69 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of *Accounting, Information Technology, and Business Solutions*, Anita Hollander et al., (McGraw-Hill 1999) ("Hollander") is respectfully traversed.

Brown is described above. Hollander is a text book that generally discusses posting journal data to ledgers. According to Hollander, accounting systems usually include two types of ledger: the general ledger and the subsidiary ledger. The general ledger holds numerous individual accounts, grouped according to account type. Subsidiary ledgers support specific general ledger accounts that consist of many separate, individual accounts. For example, a firm with a substantial number of accounts receivable customers will have

one subsidiary ledger account for each credit customer. After a specific period of time (e.g., each week or month), the totals in each specific journal are summed and posted to the appropriate general ledger accounts.

Claims 28 and 29 depend from independent Claim 24. Claim 24 recites a system for account reconciliation between a parent and a subsidiary of a business entity that includes “at least one remote computer...a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data...a server configured to...receive the parent account data from the parent via the at least one remote computer...receive the subsidiary account data from the subsidiary via the at least one remote computer...calculate an account variance based on the parent account data and the subsidiary account data...report the account variance to a user...reconcile the account variance by prompting a user associated with the subsidiary to input into the at least one remote computer account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary...and update the information stored in the database and the account variance based on the inputted account information...a network connecting the server to the remote computer and the centralized database...and a user interface allowing a user to input account information and to receive account variance output.”

Neither Brown nor Hollander, considered alone or in combination, describe or suggest a system for account reconciliation between a parent and a subsidiary of a business entity that includes a centralized database for storing account information including account data

maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, neither Brown nor Hollander, considered alone or in combination, describe or suggest a system for account reconciliation between a parent and a subsidiary of a business entity that includes a server configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, neither Brown nor Hollander, considered alone or in combination, describe or suggest a server configured to reconcile the account variance by prompting a user associated with the subsidiary to input into the at least one remote computer account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; and Hollander generally describes posting journal data to ledgers including a general ledger and subsidiary ledgers wherein the general ledger holds numerous individual accounts grouped according to account type and subsidiary ledgers support specific general ledger accounts that consist of many separate, individual accounts. Accordingly, Applicants respectfully submit that Claim 24 is patentable over Brown in view of Hollander.

When the recitations of Claims 28 and 29 are considered in combination with the recitations of Claim 24, Applicants submit that dependent Claims 28 and 29 are also patentable over Brown in view of Hollander.

Claim 32 recites a network-based system for managing accounts reconciliation between a parent and a subsidiary of a business entity that includes “at least one client sub-system comprising a browser...a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data...a server sub-system configured to be coupled to said client sub-system and said database, said server sub-system further configured to...receive the parent account data from the parent via the at least one client sub-system...receive the subsidiary account data from the subsidiary via the at least one client sub-system...calculate an account variance based on the parent account data and the subsidiary account data...report the account variance to a user...reconcile the account variance by prompting a user associated with the subsidiary to input into the at least one client sub-system account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary...and update the account information stored in the data storage device and the account variance based on the inputted account information.”

Neither Brown nor Hollander, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent and a subsidiary of a business entity that includes a data storage device for storing account information including account data maintained by the parent relating to business activities of

the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, neither Brown nor Hollander, considered alone or in combination, describe or suggest a server sub-system configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, neither Brown nor Hollander, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary, and update the account information stored in the data storage device and the account variance based on the inputted account information.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; and Hollander generally describes posting journal data to ledgers including a general ledger and subsidiary ledgers wherein the general ledger holds numerous individual accounts grouped according to account type and subsidiary ledgers support specific general ledger accounts that consist of many separate, individual accounts. In other words, Brown describes a financial management system that offsets delinquent debt using payables information, and then

reconciles the accounts to ensure that they are synchronized. Notably, Brown does not describe or teach reconciling an account variance by prompting a user associated with a subsidiary to input account information as recited in the present claims. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Brown in view of Hollander.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 103(a) rejection of Claim 32 be withdrawn.

Claims 33-69 depend from independent Claim 32 which is submitted to be in condition for allowance. When the recitations of Claims 33-69 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 33-69 are also patentable over Brown in view of Hollander.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 28, 29, and 32-69 be withdrawn.

The rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Yarnall et al. (U.S. Patent No. 6,625,617) ("Yarnall") is respectfully traversed.

Brown is described above. Yarnall describes a generation of output or reports in a standardized or uniform manner based on information contained in a data source which may be any of two or more types of source data. A plurality of drivers are provided specific to different types of source data which include programming for identifying structural or other characteristics of the various data sources. A new database is configured to permit highly flexible and/or rapid output or reporting or is otherwise optimized for reporting purposes. The apparatus includes conversion of one or more data sources into one or more uniform databases, preferably generating one or more key categories for organizing the data, optionally generating category groupings or rollups and additional data or optional references. One or more databases are created which have a degree of uniformity of structure, even though they may be based on two or more different data sources which may have very different structures. The different data sources are automatically analyzed and this

analysis can be used to identify and/or create categories of data for use in organizing the database.

Claims 34 and 35 depend from independent Claim 32. Claim 32 is recited hereinabove.

Neither Brown nor Yarnall, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent and a subsidiary of a business entity that includes a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, neither Brown nor Yarnall, considered alone or in combination, describe or suggest a server sub-system configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, neither Brown nor Yarnall, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary, and update the account information stored in the data storage device and the account variance based on the inputted account information.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; and Yarnall describes an apparatus that includes conversion of one or more data sources into one or more uniform databases, preferably generating one or more key categories for organizing the data, optionally generating category groupings or rollups and additional data or optional references. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Brown in view of Yarnall.

When the recitations of Claims 34 and 35 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 34 and 35 are also patentable over Brown in view of Yarnall.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 34 and 35 be withdrawn.

The rejection of Claims 49 and 61 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Erwin et al. (U.S. Patent No. 6,249,770) ("Erwin") is respectfully traversed.

Brown is described above. Erwin describes a computerized system for automatically spreading and analyzing historical financial statements and generating financial forecasts. The system receives and stores information about a company, forecast parameters, including, for example, inflation adjustments, exchange rates, last historic year, and historical account data for the company, and automatically generates financial forecasts for the company. Information can be imported to the system and exported from the system, for example, over a network.

Claims 49 and 61 depend from independent Claim 32. Claim 32 is recited hereinabove.

Neither Brown nor Erwin, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent and a

subsidiary of a business entity that includes a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, neither Brown nor Erwin, considered alone or in combination, describe or suggest a server sub-system configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, neither Brown nor Erwin, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary, and update the account information stored in the data storage device and the account variance based on the inputted account information.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; and Erwin describes a system that receives and stores information about a company, forecast parameters, including, inflation adjustments, exchange rates, last historic year, and historical account data for the company, and automatically generates financial forecasts for the company.

Accordingly, Applicants respectfully submit that Claim 32 is patentable over Brown in view of Erwin.

When the recitations of Claims 49 and 61 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 49 and 61 are also patentable over Brown in view of Erwin.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 49 and 61 be withdrawn.

The rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Hollander and further in view of Yarnall is respectfully traversed.

Brown, Hollander, and Yarnall are all described above. Claims 34 and 35 depend from independent Claim 32. Claim 32 is recited hereinabove.

None of Brown, Hollander, or Yarnall, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent and a subsidiary of a business entity that includes a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, none of Brown, Hollander, or Yarnall, considered alone or in combination, describe or suggest a server sub-system configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, none of Brown, Hollander, or Yarnall, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags

between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary, and update the account information stored in the data storage device and the account variance based on the inputted account information.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; Hollander generally describes posting journal data to ledgers including a general ledger and subsidiary ledgers wherein the general ledger holds numerous individual accounts grouped according to account type and subsidiary ledgers support specific general ledger accounts that consist of many separate, individual accounts; and Yarnall describes an apparatus that includes conversion of one or more data sources into one or more uniform databases, preferably generating one or more key categories for organizing the data, optionally generating category groupings or rollups and additional data or optional references. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Brown in view of Hollander and further in view of Yarnall.

When the recitations of Claims 34 and 35 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 34 and 35 are also patentable over Brown in view of Hollander and further in view of Yarnall.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 34 and 35 be withdrawn.

The rejection of Claims 49 and 61 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Hollander and further in view of Erwin is respectfully traversed.

Brown, Hollander, and Erwin are all described above. Claims 49 and 61 depend from independent Claim 32. Claim 32 is recited hereinabove.

None of Brown, Hollander, or Erwin, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent and a subsidiary of a business entity that includes a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, none of Brown, Hollander, or Erwin, considered alone or in combination, describe or suggest a server sub-system configured to receive parent account data from the parent, receive subsidiary account data from the subsidiary, calculate an account variance based on the parent account data and the subsidiary account data, and report the account variance to a user.

Furthermore, none of Brown, Hollander, or Erwin, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting a user associated with the subsidiary to input account information relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary, and update the account information stored in the data storage device and the account variance based on the inputted account information.

Rather, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset

information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; Hollander generally describes posting journal data to ledgers including a general ledger and subsidiary ledgers wherein the general ledger holds numerous individual accounts grouped according to account type and subsidiary ledgers support specific general ledger accounts that consist of many separate, individual accounts; and Erwin describes a system that receives and stores information about a company, forecast parameters, including, inflation adjustments, exchange rates, last historic year, and historical account data for the company, and automatically generates financial forecasts for the company. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Brown in view of Hollander and further in view of Erwin.

When the recitations of Claims 49 and 61 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 49 and 61 are also patentable over Brown in view of Hollander and further in view of Erwin.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 49 and 61 be withdrawn.

In addition to the arguments set forth above, Applicants respectfully submit that the rejection of Claims 28, 29, and 32-69 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Hollander; the rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Yarnall; the rejection of Claims 49 and 61 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Erwin; the rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Hollander and further in view of Yarnall; and the rejection of Claims 49 and 61 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of Hollander and further in view of Erwin is further traversed on the grounds that these Section 103 rejections are not proper rejections.

Obviousness cannot be established by merely suggesting that it would have been obvious to one of ordinary skill in the art to modify Brown using the teachings of Hollander; Yarnall, or Erwin. More specifically, as is well established, obviousness cannot be established by combining the teachings of the cited art to produce the claimed invention,

absent some teaching, suggestion, or incentive supporting the combination. None of Brown, Hollander, Yarnall, or Erwin, describe or suggest the claimed combination. Furthermore, in contrast to the assertion within the Office Action, Applicants respectfully submit that it would not be obvious to one skilled in the art to combine Brown, Hollander, Yarnall, and Erwin because there is no motivation to combine the references suggested in the art. Rather, the Examiner has not pointed to any prior art that teaches or suggests to combine the disclosures, other than Applicants' own teaching.

As the Federal Circuit has recognized, obviousness is not established merely by combining references having different individual elements of pending claims. Ex parte Levengood, 28 U.S.P.Q.2d 1300 (Bd. Pat. App. & Inter. 1993). MPEP 2143.01. Rather, there must be some suggestion, outside of Applicants' disclosure, in the prior art to combine such references, and a reasonable expectation of success must be both found in the prior art, and not based on Applicants' disclosure. In re Vaeck, 20 U.S.P.Q.2d 1436 (Fed. Cir. 1991). In the present case, neither a suggestion or motivation to combine the prior art disclosures, nor any reasonable expectation of success has been shown.

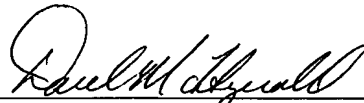
Furthermore, it is impermissible to use the claimed invention as an instruction manual or "template" to piece together the teachings of the cited art so that the claimed invention is rendered obvious. Specifically, one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the art to deprecate the claimed invention. Further, it is impermissible to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art. The present Section 103 rejection is based on a combination of teachings selected from multiple patents in an attempt to arrive at the claimed invention. Since there is no teaching nor suggestion in the cited art for the claimed combination, the Section 103 rejection appears to be based on a hindsight reconstruction in which isolated disclosures have been picked and chosen in an attempt to deprecate the present invention. Of course, such a combination is impermissible, and for this reason alone, Applicants respectfully request that the Section 103 rejection be withdrawn.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 103(a) rejection of Claims 28, 29, and 32-69; the rejection of Claims 34 and 35;

the rejection of Claims 49 and 61; the rejection of Claims 34 and 35; and the rejection of Claims 49 and 61 be withdrawn.

In view of the foregoing amendments and remarks, all the Claims now active in the application are believed to be in condition for allowance. Favorable action is respectfully solicited.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Daniel M. Fitzgerald", is written over a horizontal line.

Daniel M. Fitzgerald

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